

1. **QUESTION:** How can the developer provide a “vision” for housing at Fort Hood without having some information on the amount of capital available for the project, i.e., what has Congress appropriated in the way of financial resources for the Fort Hood privatization initiative?

**ANSWER:** In reference to the Preliminary Concept Statement as defined in 4.3.2, Congress has provided various means to achieve the goals of “Military Housing Privatization Initiatives (MHPI). MHPI was specifically enacted to enable the Military Services to leverage their housing assets (land and buildings) and limited financial resources in an effort to improve the quality of life for Services Members and their families. The four main financing tools are:

- Direct Loans and Loan Guarantees
- Conveyance or Lease of Existing Property (land and/or buildings)
- Differential Lease Payments
- Investments

The main source of revenue will be housing allowances granted to military personnel. These funds are the soldiers Basic Allowance for Housing (BAH), see Part 2, Table B-1 for the potential monthly income stream from BAH.

The Army has set aside approximately \$40M exclusively for the purposes of Office of Management and Budget (OMB) Scoring of the MHPI Tools used for the project. Refer to Section 3.3 and Appendix D of the RFQ for OMB Scoring.

## 2. **QUESTION:**

a. Will you put the briefing slides from today’s conference on your [Internet] home-page?

**ANSWER:** The briefing slides were only a tool used by the conference speakers to facilitate their presentations. The presentation materials will not be posted on the Website or otherwise be made available in hardcopy form.

b. Will the inclusion of lease cost differential payments in a financial plan be a negative factor in the evaluation scoring?

**ANSWER:** Section 3.1 of the RFQ indicates that the authority to pay a rent subsidy to the developer will only be used in unusual cases. In addition Appendix D, OMB Scoring Guidance, indicates a rent subsidy would be scored “upfront” with the value of the lease or commitment recorded as an obligation at the time the contract is finalized. Therefore the use of this authority would not be considered as favorably as other authorities which better minimize the impact of OMB Scoring.

c. Will the developer be required to negotiate separately with the local municipal authorities on real estate taxes?

**ANSWER:** Section 3.2 of the RFQ indicates each prospective developer must make its own assessment of the requirement to pay local real estate taxes. However, the Army and selected developer will work together to address tax related issues as part of the CDMP planning process.

3. **QUESTION:** Please discuss the possibility and importance of using second mortgages.

**ANSWER:** Second mortgages are acceptable for MHPI projects. Section 3.1 of the RFQ indicates the Army may provide direct loans to private firms in the form of second mortgages. Second mortgages are scored under the OMB scoring process as indicated in Appendix D. The Army has set aside dollars exclusively for the purposes of Office of Management and Budget (OMB) scoring.

4. **QUESTION:** Regarding the expected rate of return on investment, do you want this expressed in dollars (\$), percentages (%), or both? Do you want our projected cost (exposure) and income statement?

**ANSWER:** There is no required format for submittal of this information. As long as the information allows the Army to answer the question posed in Section 4.5.6 of the RFQ, the format will be acceptable. The offeror may or may not choose to provide projected cost (exposure) and an income statement depending on their method for explaining their expected rate of return.

5. **QUESTION:**

a. Do you have an e-mail address for Rick Hedrick or whomever so we can submit further questions?

**ANSWER:** All questions should be submitted via the RCI Internet website [www.rci.army.mil](http://www.rci.army.mil).

b. Do the audited financials have to be attached to the electronic filing? Do these financials count in the 50 page limit?

**ANSWER:** Yes, audited financials should be attached to the electronic submittal. No, the audited financials or 10Ks are not included in the 50 page limit.

c. Are the existing [housing] units separately metered?

**ANSWER:** Not all units are separately metered. Information on current housing and whether or not they are separately metered is available in the RCI Document Room, at Fort Hood. Potential developers can make an appointment to visit the RCI Document Room by calling Robert Erwin at 254-288-2014.

6. **QUESTION:** Will financial statements of the offerors have to be submitted in [Microsoft] Word format?

**ANSWER:** Financial statements must be submitted with the electronic submissions. It is possible to make an electronic image of these statements and then attach to the electronic submittal. All submissions should be submitted using at least 12-point font type. See Section 1.2.2 of the RFQ.

7. **QUESTION:** [In] 4.5.6 Financial Return, the developer's/Team's variable is altered. Of course many variables will change over this extended period of time. In the response to the RFQ, are you expecting a static "snapshot" in a percentage statement? How is this Answer rated in the total response?

**ANSWER:** We are asking for the required rate of return and category(s) for this project. We do not want a sensitivity analysis. Your response will be rated as outlined in the RFQ.

8. **QUESTION:** Our firm is private and our financial statements are not audited. We can provide other information to demonstrate our financial strength. Will the lack of audited statements be a major problem?

**ANSWER:** Section 4.3.3 of the RFQ requires the submittal of audited financial statements (or 10ks if the entity is publicly owned). This information is necessary for a proper evaluation of the submittals.

9. **QUESTION:** On page 11, 4.3.2 paragraph 2 states the preliminary concept statement "should also include items such as a conceptual land-use plan."

a. Is this intended to be a drawing or verbal description?

**ANSWER:** The paragraph in question indicates that detailed drawings are not required. The conceptual land-use plan may be submitted in any format that would assist in clarifying the potential developer's approach.

b. If drawings...., are base maps available, and copies of the villages and proposed RCI locations [available] from Colonel Hall's presentation

**ANSWER:** Although a drawing is not required, Fort Hood maps are provided in Appendix C and are also available for view in the Fort Hood RCI Document Room mentioned in the response to question 5.

10. **QUESTION:** Will you provide a more detailed base map of the housing areas in the electronic format for CADD, <How & When>?

**ANSWER:** Maps in CADD format will not be provided. However, as stated in the response to question 9, maps are available for view in the Fort Hood RCI Document Room.

11. **QUESTION:** In the OMB Scoring process, is there a "subsidy cost" for a loan guarantee?

**ANSWER:** No, there is not a subsidy cost for loan guarantees in the OMB Scoring process. A subsidy cost in relation to scoring is normally associated with a direct loan.

12. **QUESTION:** RFQ – OMB Scoring: for a loan guarantee, how does OMB Score cost?

**ANSWER:** The scoring will depend on the type of loan guarantee provided. Appendix D provides information in three paragraphs relating to OMB Scoring on loan guarantees.

13. **QUESTION:** What is the last day to submit questions via [Internet] website?

**ANSWER:** It is the Army's intent to provide answers to all questions posed by potential offerors. However the Army can only guarantee that questions submitted by October 15, 1999 will receive answers. Questions posed after that date will be answered if time permits.

14. **QUESTION:**

a. Will a hard copy be acceptable?

**ANSWER:** No, all submittals must be submitted electronically.

b. Is the Army sure that charts and Graphs transmitted electronically will be compatible, i.e., Lotus™ or Microsoft Excel™?

**ANSWER:** Submissions formatted as Microsoft Word images are acceptable. The conversion process in Lotus™ or Microsoft Excel™ provides for formatting the documents to be read as Microsoft Word images.

c. Are tables and charts counted in the 50 pages?

**ANSWER:** Yes, tables and charts are counted in the 50 page limit specified in Section 4.1 of the RFQ.

15. **QUESTION:** Will financial Statements be included in the 50 page limit?

**ANSWER:** If the term "financial statements" refer to "Audited Statements or 10K(s)" the answer is "No". If the term "financial statements" refer to any other portion of the

"documentation and statements" identified under Section 4.3.3 of the RFQ, the answer is "Yes."

16. **QUESTION:** Will Appendix E count in the 50 page limit?

**ANSWER:** Clauses 52.212-3 and 52.212-7000 in Appendix E has fill-in the blank questions for potential developers. Submittal information from Appendix E does not count in the 50 page limit specified in Section 4.1 of the RFQ. That section of the RFQ will be amended to reflect this change.

17. **QUESTION:** Must Appendix E be submitted in [Microsoft] Word Format?

**ANSWER:** Yes, Appendix E must be submitted in Microsoft Word Format. The amendment to the RFQ will include a file formatted in Microsoft Word. You will be able to download this file from the RCI Website. The file will only contain those clauses that require a fill-in by the potential developers (Clauses 52.212-3 and 52.212-7000).

18. **QUESTION:** Please explain more clearly the proposal format; for example, Part I will address..., and Part II will address....

**ANSWER:** As indicated in Section 4.1 of the RFQ, Part 1 of the submittal will address the offeror's minimum experience requirements, Section 4.2. Part 2 will address the qualifications of the potential developer keyed to Sections 4.3.1 through 4.3.7. In addition Appendix E must be filled out and submitted with the proposal.

19. **QUESTION:** How many square feet for a 3- bedroom and 4-bedroom [family housing unit], and how much is the monthly rent for them?

**ANSWER:** If the questions are relate to existing family housing stock on Fort Hood, the square footage varies by model and era of construction. This information may be obtained from the Fort Hood RCI Document Room. Otherwise, we need additional information to answer the square feet questions. Please provide this information in writing via the RCI Internet website, we will answer later. In all cases, the monthly rent is determined by the grade of the occupant.

20. **QUESTION:**

a. What are the square footage of the housing units in Commanche, Montegue, Liberty, and Kouma?

**ANSWER:** As indicated in number 19 above, this information is available in the Fort Hood RCI Document Room.

b. Is the information in [Table] B1 current as of today?

**ANSWER:** The information is current as of December 1998, however the BAH rates are the actual 1999 rates for Fort Hood.

c. What is the current status of liability for property taxes?

**ANSWER:** See response to question 2.c..

d. Will you make larger, more readable C1 and C2 maps?

**ANSWER:** These maps are in the RFQ and can be enlarged as needed by anyone accessing the Website. These maps are also available in the Document Room at Fort Hood.

**21. QUESTION:**

a. Will a list of meeting attendees [at the pre-submission conference] be published and distributed?

**ANSWER:** Firm names, addresses, and phone numbers of attending firms will be published on the RCI Internet Website.

b. Is the slide show available either by electronic medium or hard copy?

**ANSWER:** See response to question 2.

c. Is the "Statement of Qualifications" a "fill-in-the-blank" form at the [internet] Website?

**ANSWER:** No, there is not a "fill-in-the-blank" form at the Website. Also see response to question 18.

**22. QUESTION:** What are the expected levels of military population requiring housing for the years 2001 – 2006? What are the demographics of this population?

**ANSWER:** The information provided in Part II, takes into account the military authorization/requirement for housing for 5 years.

**23. QUESTION:**

a. You mentioned you have all rights to a submittal. Does this mean that confidential information of one team can be passed to another team, if you wish?

b. Pass our information to the runner-up, if there is a termination of negotiations?

**ANSWER:** This is the response to questions 23a and 23b. At the completion of

the CDMP process, the Army will pay selected developer \$350,000 and will receive unlimited rights in the CDMP, including the right to share it with other developer(s). If the Army terminates the CDMP process for its convenience it will pay the selected developer in proportion to the work performed prior to the notice of termination, up to a maximum of \$350,000. For both question subpart a. and b., see Appendix E, page E-9, paragraph (i) and (l). The Army will receive full and unlimited rights to that portion of the CDMP, the Army will pay the developer \$350,000 and gain unlimited rights in the CDMP.

24. **QUESTION:** What's the difference between experience and past performance?

**ANSWER:** Experience is your qualifications based on previous projects. Performance is the quality of your experience based on the responses from your references.

25. **QUESTION:**

a. The RFQ does not address demolishing homes and seems to allow for 1,149 homes to be added to the current 5622, which would result in a total of 6,771 homes. What is the Fort Hood housing requirement?

**ANSWER:** The housing deficit for Fort Hood is periodically validated. The Fort Hood deficit is being revalidated at this time. As specified in the RFQ, Section 2.1.1, as part of the development plan, the Army and selected developer will work together to verify that these figures accurately reflect Fort Hood's housing needs.

b. Are there any restrictions to providing more houses than the current available?

**ANSWER:** We will not build more than the deficit.

c. Are your utilities going to be capped per house?

**ANSWER:** Yes, as indicated in Section 3.2 of the RFQ, the utilities paid by the developer will be capped at a reasonable amount agreed to during development of the CDMP.

26. **QUESTION:** RFQ, page D-3, paragraph 1; Please explain the statement, "... would effectively default risk..."

**ANSWER:** There is an error in the wording of the last sentence of the first paragraph on Page D-3. The RFQ will be amended to change this wording to read as follows: "Assignment of service members to housing, when combined with a loan guarantee for base closure, deployment and downsizing, would effectively eliminate default risk and, therefore, would require the full face value of the loan to be counted as government participation."

27. **QUESTION:** RFQ, Page 3; what characteristics of the transactions would weigh-in for a determination of the applicability of the FAR?

**ANSWER:** The FAR applies to “acquisitions,” defined in pertinent part by FAR Part 2.101 as “the acquiring by contract with appropriated funds of supplies and services (including construction) by and for the use of the Federal government through purchase or lease.” The Army will review the CDMP and its components to determine whether the RCI project at Fort Hood constitutes an acquisition in accordance with this definition.

28. **QUESTION:**

a. What is the address of the RCI Contracting Activity?

**ANSWER:** The Internet address is [www.rci.army.mil](http://www.rci.army.mil). The mailing address is Residential Communities Initiative, Office of the Assistant Secretary of the Army for Installations and Environment, 110 Army Pentagon, Rm. 1A909, Washington, DC 20310-0110.

b. What are the telephone, fax, and e-mail addresses of the [RCI] Contracting personnel?

**ANSWER:** It is preferred that all inquires and comments are addressed to the RCI Internet website. The telephone number is 703-692-9898.

c. The [Internet] link for the contracting offices on the RFQ is invalid.

**ANSWER:** Please contact us by phone for assistance at the telephone number above or try <http://www.rci.army.mil>.

29. **QUESTION:** What fees, if any, will the selected contractor be paid or allowed to claim should the CDMP process not result in a finalized project in Phase I?

**ANSWER:** Paragraphs (i) and (l) of FAR Clause 52.212-4 on pages E9 and E10 of the RFQ describe the procedures that will be followed.

30. **QUESTION:**

a. What is the FT. Hood housing requirement? Are there restrictions to providing more houses than currently available?

**ANSWER:** See response to question 25.

b. Can you define beyond what is in the RFQ what you mean by ancillary facilities?



**ANSWER:** The first paragraph on page 2 of the RFQ provides the Army's best examples of ancillary facilities. Offerors are free to propose any type of ancillary facilities that relate to and support the family housing community provided they complement business operations in the local community and are acceptable to the entities specified in Section 2.1.1 of the RFQ.

**c.** On page 7 you indicate that the land as well as the structures could be conveyed. Is this true?

**ANSWER:** Yes, the MHPI legislation allows the Army to convey or lease Army land for this project.

**d.** Environmental/NEPA requirements are not addressed in the RFQ. How do you expect to address these issues?

**ANSWER:** Section 2.1.1 of the RFQ indicates that documents required for compliance with NEPA will be developed with the selected developer during crafting of the CDMP.

**31. QUESTION:** How was the fixed sum payment of \$350,000 for Phase I decided? Would not \$600,000 be more reasonable?

**ANSWER:** The Army believes the sum of \$350,000 is adequate compensation for development of the CDMP. Although this sum may or may not compensate the selected developer for all his expenses, the Army believes it communicates our commitment to this process and indicates our willingness to share project risks.

**32. QUESTION:**

**a.** Who will be the members of the selection (evaluation) team?

**ANSWER:** The members of the evaluation team cannot be made public because it is procurement sensitive information. However we can disclose that the members will be qualified Army personnel capable of evaluating submittals.

**b.** Will Corps of Engineers [CE] standards be used? How?

**ANSWER:** Consistent with the MHPI Legislation, we expect to developers to build to local standards. However, we do expect to, as appropriate, buttress local standards in order to ensure the health and safety of our soldiers and their families.

**c.** Will CE develop and administer the contract?

**ANSWER:** The contract to be awarded for development of the CDMP will be administered by the Corps of Engineers. III Corps and Fort Hood Contracting Command will administer the implementation of the CDMP.

d. What will be the monetary cap for payment of utility costs?

**ANSWER:** See response to question 25.c..

e. Are there guidelines for permitting Commercial Development? i.e. AAFES & NAF, 1<sup>st</sup> right of refusal.

**ANSWER:** There are no specific guidelines for permitting commercial development as part of the Fort Hood RCI Pilot project. However, Section 2.1.1, paragraph 5, of the RFQ outlines the circumstances which the Army will consider authorizing the construction and operation of ancillary support facilities. The Army will consider commercial development only in the context of ancillary supporting facilities.

33. **QUESTION:**

a. Page A-4 says: FT. Hood is studying the merits of utility privatization: What does this mean to us? Does it mean we should include utility privatization in our approach to housing privatization?

**ANSWER:** This is simply a piece of information made available to all offerors regarding the status of utility systems at Fort Hood. Offerors are not expected to address utility privatization in their submittals.

b. Utility Allowance - Can we use HUD approved allowances?

**ANSWER:** See response to question 25. HUD approved allowances may possibly be used in determining the cap referenced in Section 3.2 of the RFQ.

c. RFQ is often a "beauty contest". Beauty is not always the best working partner. How will you work to insure the decision is based upon the best quality partner? Re: results?

**ANSWER:** As stated in Section 4.0 of the RFQ, the Army will select the developer whose submission is most advantageous to the government and best demonstrates the ability to plan and implement the Fort Hood project. The seven factors listed in Section 4.5 of the RFQ will be used to determine which developer is selected.

d. Is page 21 to be signed by the developer and then attached to our response electronically?

**ANSWER:** Yes, the procedure will be posted on the RCI Website.

34. **QUESTION:**

a. Do you expect to cap utility costs at each house, community or a total for the housing areas? Who says when caps are exceeded?

**ANSWER:** See response to question 25. It is expected that a cap will be developed and that a system will be established for determining when the cap is exceeded during crafting of the CDMP.

b. How will the developer for Phase I be selected? Phase II? Do you expect them to be the same?

**ANSWER:** A developer will be selected during Phase 1 to develop a CDMP. If that selected developer is successful in crafting an acceptable CDMP, the Army would expect to issue the notice to proceed authorizing that developer to proceed with Phase 2 implementation.

35. **QUESTION:** RFQ, page 19, last paragraph: Please explain, how the expected return will be treated as cost or price information. Does this mean, for example, that the higher the developer's return, the calculations of cost will be higher?

**ANSWER:** The developer's expected rate of return is intended to provide the Army information, in connection with other data provided by the developer, on the developer's ability to devote resources to the Fort Hood project on a long-term basis or return revenue to the RCI program.

36. **QUESTION:** What is status of privatization or RCI at Fort Carson?

**ANSWER:** Privatization of Family Housing at Fort Carson has not yet been implemented.

37. **QUESTION:** If the developer pays tax to local authorities, will the federal impact funds be reduced?

**ANSWER:** It is possible. However, as indicated in the answer to question number 2, the Army and the selected developer will work together to address these tax related issues as part of the CDMP planning process.

38. **QUESTION:** RFQ Number DACA02-99-0001, (Fort Hood, Texas military family housing privatization) there is no mention of minimum developer equity. Previous housing privatization solicitations from the other various services (as well as Fort Carson) set forth minimum equity amounts required to be invested in the projects. This seemed to be consistent with Department of Defense's wish for a long-term business relationship with a private sector developer. It required the developer entity to demonstrate economic commitment to the success of the 50-year projects. The requirement also seemed to make the government's evaluation of various responses easier to judge on a comparative basis.

a. If no long-term equity investment is required, the short-term business interests of the private sector developer (typically 3 to 5 years) are not necessarily aligned with the government's long term interests in the success of the project?

**ANSWER:** This RFQ includes very few requirements in order to allow each prospective developer the latitude to provide the most innovative response. The Army's goal is to define what our overall goals are (See Section 1.1 of the RFQ) and allow potential developers to tell us how they can partner with the Army to meet these goals. The Army will evaluate the prospective developer's overall concept for long-term development, operation, maintenance, and property management and the developer's strategy for financing the project on a long-term basis (See Sections 4.5.2 and 4.5.3 of the RFQ).

b. Realizing that there is a trade-off between long term at-risk equity and dollars available for the project: Does the government prefer a minimum level (percentage) of equity investment in the /project?

**ANSWER:** Please refer to answer for question number 38. a. above. There are no minimum equity levels defined in the RFQ.

c. Are deferred developer and other fees viewed as equity investments?

**ANSWER:** This question cannot be answered definitively at this time, and will be examined on a case-by-case basis. As indicated in the answer to question number 38. a. above the Army will evaluate the prospective developer's overall concept for long-term development, operation, maintenance, and property management and the developer's strategy for financing the project on a long-term basis (See Sections 4.5.2 and 4.5.3 of the RFQ).

39. **QUESTION:** Why not just sell each village and let them compete with "Downtown"?

**ANSWER:** The Army believes the process specified in this RFQ is the best approach for improving the military family housing at Fort Hood under current legislation.

40. **QUESTION:** Is there a shortage of water or rationing in effect at FT. Hood? i.e. play areas, parks, etc., have a lot of unwatered areas.

**ANSWER:** Fort Hood has a water restriction policy during the summer season that prevents lawn watering between 1:00 PM and 5:00 PM. This is a conservation measure.

41. **QUESTION:** RFQ, Page 8. Does the Army currently have a formula for determining utility payment caps or will that formula have to be developed during the Phase I process completely?

**ANSWER:** See response to question 25.

42. **QUESTION:** RFQ, page 7. Please provide additional information on the Mandatory Housing Allotment process.

**ANSWER:** The MHPI Legislation allows mandatory allotment (i.e., automatic payment deductions from a Service Member's pay) to ensure the payment of rent. The method of rental payments for this project will be determined during the crafting of the CDMP.

43. **QUESTION:** Have asbestos and lead-based paint surveys been conducted for Ft. Hood? Are they available for review by offers?

**ANSWER:** Yes. Survey information is available in the Document Room

44. **QUESTION:** Is there any asbestos in any of the existing units? Any other Environmental issues?

**ANSWER:** Yes, but only non-friable asbestos is present. Other environmental issues include lead based paint and radon. Survey information is available in the Document Room.

45. **QUESTION:**

a. Is it possible to obtain the info and/or the bus tour guides used on the tour? Via hard copy or website?

**ANSWER:** The information provided during the bus tours is available from either the RFQ or in the Fort Hood RCI Document Room.

b. What is the name of the architect, builder for the new addition @montgue Village?

**ANSWER:** Designer is Towne & Home, Inc., Simi Valley, California. Builder is Actus/Sundt Corp., Napa, California.

c. When will the list of attendees be available? Via hard copy or website?

**ANSWER:** See response to question 21.

46. **QUESTION:**

a. What is the status of utility privatization at Ft. Hood?

**ANSWER:** Fort Hood has performed studies on all utilities and a decision whether or not to privatize is pending.

**b.** Please define "Attractive Profits".

**ANSWER:** Attractive profits are considered to be profits normally experienced in the industry being discussed.

**c.** Is the presumption that "conveying an interest" will put the property on the local real estate tax roll?

**ANSWER:** The local tax authority may be able to tax the real estate interest conveyed to the developer. Again, RFQ Section 3.2 indicates that each prospective developer must make its own assessment of the requirement to pay local real estate taxes (see question 2.c.).

**d.** Will the Army entertain homeownership vs. demolition of units with replacement of units sold?

**ANSWER:** The Army has the authority under the MHPI to convey building and land and could decide during the CDMP to sell the homes earmarked for demolition or for off-site removal. The Army is not currently entertaining proposals for individual ownership on its installations.

**e.** Assuming the interest conveyed places the real estate on the local real estate tax roll, have any discussions taken place with local government regarding zoning, and "ancillary supporting facilities" annexation, etc?

**ANSWER:** To date, the Army has discussed a number of land use issues with local government officials as part of the Army's plan for compliance with NEPA.

**f.** What form of environmental review records will be available?

**ANSWER:** Lead based paint, asbestos and radon surveys as well as environmental baseline survey and preliminary environmental assessment are available in the Document Room.

**g.** Please define; what the private sectors obligation will be regarding "community development" (scope)?

**ANSWER:** The selected developer will be required to work closely with the Army to develop the CDMP. The CDMP development plan is outlined in Section 2.1.1 of the RFQ.

47. **QUESTION:** Can one partner of a team be on other teams? From the Panel, we understood the answer to be yes? The group can have members that are on more than one submittal.

**ANSWER:** Yes. One partner of a team can be named as potential partner of another team.

48. **QUESTION:** Will the government proforma analysis be shared with the developer after selection in the CDMP process?

**ANSWER:** Yes, the Army intends to work closely in partnership-like fashion with the selected developer.

49. **QUESTION:** Has there been an analysis of the noise abatement associated with the new airport at Robert Gray?

**ANSWER:** Noise contour modeling was performed and there is no significant increase in noise to family housing areas, due to the new airport at Robert Gray.